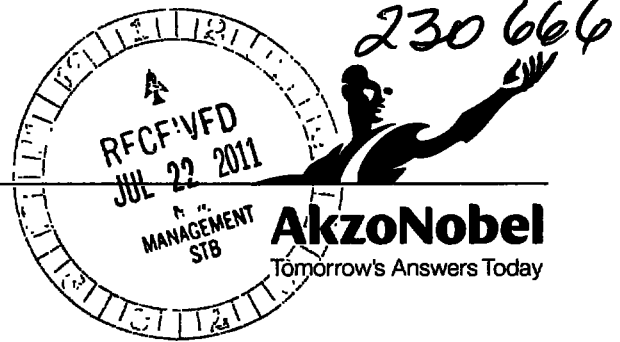


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July 20, 2011

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Ms. Cynthia T. Brown  
Director, Section of Administration  
Office of Proceedings  
Surface Transportation Board  
395 E Street, S. W.  
Washington, D.C. 20423-0001

Re: Ex Parte No. 711 – Petition of The National Industrial Transportation League  
for Rulemaking to Adopt Revised Competitive Switching Roles

Dear Ms. Brown:

On July 7, 2011, The National Industrial Transportation League filed with the Surface Transportation Board, a Petition asking the agency to initiate a rulemaking to adopt revised rules on competitive switching. The Petition follows the Board's general consideration of competition issues in Ex Parte No. 705, *Competition in the Railroad Industry*. In the Ex Parte No. 705 proceeding, the Board asked for new proposals and solutions to address competitive problems faced by shippers. The League's Petition responds to that request.

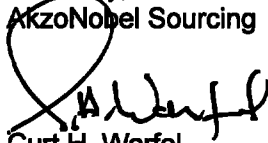
The Petition outlines the significant changes that have taken place in the railroad industry since the Interstate Commerce Commission adopted rules for reciprocal switching in 1985. The Petition also indicates that the agency has the power to change those rules. Most importantly, the Petition sets forth a detailed proposal for a new regime of competitive switching, under which competitive switching would be made available to shippers who are served by only a single, Class 1 rail carrier and who lack effective inter- or intramodal competition.

AkzoNobel is a multinational company with its United States headquarters in Chicago, Illinois, that is involved in the production, sale and transport of many different chemical and coating products. AkzoNobel has 10 production sites in the United States for which rail transportation plays a vital role. Among the various products produced and shipped from these facilities are chemicals and coatings used in pulp and paper production, industrial, agricultural, personal and water and sewage treatment applications. Additionally, we rely on rail transport to receive many different inbound chemical and mineral raw materials such as salt, caustic soda, titanium dioxide, kaolin, lime and others. Due to the volumes and types of chemical products we ship and receive or to handling and storage requirements at customer sites, we are tied to rail transportation for a large part of our inbound and outbound shipments. Additionally, each of our 10 rail served sites would be considered to be "captive" to one rail carrier. Among the issues caused by these captive situations, are nagging switching failures at several sites and near constant rate increases that impair the profitability of the products produced and shipped from these locations.

AkzoNobel strongly urges the Board to grant the League's Petition and to issue a Notice of Proposed Rulemaking on the proposal detailed by the League. AkzoNobel believes that the League's proposal represents a fair and balanced effort to improve the state of competition in the rail transportation industry and, would provide increased competition for captive shippers without harming the carriers. Based on our experience at our Canadian plants that do have competitive switching options, AkzoNobel believes that having the ability to utilize reciprocal switching to gain economic access to additional rail carriers, would enhance our ability to produce, sell and ship our products from a more cost competitive position and would also improve the quality of the rail service which is so important to us.

AkzoNobel firmly believes that issuance of a Notice of Proposed Rulemaking on the League's proposal would permit the industry as a whole to comment on the proposal and to guide the Board in its effort to improve the state of competition in the rail industry.

Sincerely,  
AkzoNobel Sourcing

A handwritten signature in black ink, appearing to read "C. Warfel", is written over the printed name "Curt H. Warfel".

Curt H. Warfel  
Sourcing Manager  
Bulk Transport – North America